



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

OCT 2 2003

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Radio Frequency Identification (RFID) Policy

This memorandum establishes policy for the use of RFID within the Department of Defense (DoD) and initiates a strategy to take maximum advantage of the inherent life-cycle asset management efficiencies that can be realized with integration of RFID throughout DoD.

Within the collective suite of Automatic Identification Technology (AIT) applications, RFID is a family of technologies that enables hands-off processing of materiel transactions. Employment of RFID allows us to re-apportion critical manpower resources to warfighting functions and to streamline our business processes, in partnership with industry, that will benefit both of our enterprises. Attachment 1 provides additional background on RFID.

This policy directs the use, within our business processes, of the high data capacity active RFID currently used in the DoD operational environment. DoD Components will immediately implement the business rules (Attachment 2) to ensure continued support for ongoing Combatant Commander in-transit visibility requirements and operations. These rules may be amended as a result of the ongoing Operation Iraqi Freedom Logistics Objective Assessment.

Additionally, the DoD will be an early adopter of innovative RFID technology that leverages the Electronic Product Code (EPC) and compatible RFID tags. Our policy will require suppliers to put passive RFID tags on lowest possible piece part/case/pallet packaging by January 2005. We also plan to require RFID tags on key high value items. The DoD Components will establish initial capability to read RFID tags at key sites to be prepared for the January 2005 implementation. We will develop business rules based on the results of initial RFID projects to be completed and analyzed no later than May 2004. We will issue a final version of this policy in July 2004.

We must take advantage of the inherent capabilities of RFID to improve our business functions and facilitate all aspects of the DoD supply chain. RFID recorded events will be used as transactions of record within maintenance and supply automated information systems. Additionally, we will use RFID to improve data quality, item management, asset visibility, and maintenance of materiel. Use of RFID supports DoD policy for Unique Identification (UID) and facilitates use of the UID to identify materiel across all logistics functional areas.

Streamlining our business process through RFID will take a substantial effort and I invite you to participate collaboratively in this endeavor. To that end, Mr. Alan Estevez, Assistant

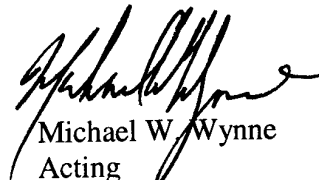


Deputy Under Secretary of Defense (Supply Chain Integration), is leading a DoD RFID Implementation Integrated Product Team (IPT), supported by the DoD Logistics AIT Office. This IPT will further refine this RFID policy, develop a long-range implementation strategy, and identify pilot opportunities for initial implementation of emerging RFID capabilities. The IPT will also determine – in concert with our industry partners – the lowest possible application of RFID capabilities in each segment of the DoD supply chain. I expect this IPT to:

- Conduct a DoD RFID Policy Kick Off by October 2003 to educate/inform DoD Components on the technology and standards
- Implement initial RFID projects by January 2004 to demonstrate applications of the technology in our business processes
- Conduct an RFID Summit for Industry by February 2004 to solicit comments from our suppliers on the proposed new policy.
- Complete an analysis of the initial RFID projects by May 2004 to provide lessons learned to frame the final policy.
- Provide a final RFID policy and implementation strategy by June 2004.

The implementation and integration of RFID will impact, over time, both legacy and new systems development across the DoD. An element critical to the future success of this technology will be the institutionalization of Service/Joint processes and procedures. As such, DoD Components may need to consider near-term budget adjustments, as required, to support high data capacity active RFID requirements and should also include long term requirements during the development of Service/Agency Program Objective Memorandum (POM) input in the upcoming Program/Budget process and plan for the full integration of RFID into DoD business processes, the associated information systems, and the DoD Business Enterprise Architecture.

This effort is critical to Logistics Transformation and my plan is to make RFID application at the lowest possible piece part/case/pallet level a mandatory requirement for all suppliers no later than January 2005. Your cooperation and efforts, through the IPT, will be critical to our success in meeting this requirement.



Michael W. Wynne
Acting

Attachments:
As stated

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